**Exemption to Functional Export Oriented Unit from Payment of Tax**

†l297. SHRI KAPIL SIBAL:
SHRI RAJ MOHINDER SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government are cxinternplating to exempt the functional export oriented unit from payment Q{ tax for the next ten years;

(b) if so, the facts in this regard and reasons for this decision;

(c) whether Government have conducted any study with regard to the economic loss to be suffered due to such tax exemption; and

(d) if so, the estimate with regard to average annual loss?

T HE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR): (a) No, Sir. The exemption of functional export oriented units from payment of tax for the 'next ten* years is not contemplated. However, the law which provided for tax holiday for five consecutive years to export oriented units was amended by Income-tax (Amendment) Act, 1998 to extend the period from five consecutive years to ten consecutive years. The existing functional units became entitled to further tax holiday for only the unexpired number of years in ten S^;;--'^ consecutive years.

(b) to (d) Do noi arise in view of (a) above.

**Newsitem Captioned "U.P. Blames Centre for the Debt Trap"**

†l295. SHRI KAPIL SIBAL:
SHRI RAJ MOHINDER SINGH:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the newsitem published in the Hindustan Times dated 17th August, 1999 under the caption "U.P. blames Centre for the debt trap";

(b) if so, whether it is a fact that the representatives of U.P. Government have held the economic policies of Central Government

†'Original Notice of the Question was received in Hindi.